

# IMPLEMENTATION AGREEMENT

## TECHNICAL ASSISTANCE ON:

### Forest and Climate Protection Project in Panay Island

#### KNOW ALL MEN BY THESE PRESENTS:

The **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** GmbH, a company duly incorporated under the laws of the Federal Republic of Germany, with business address at Dag-Hammarskjold-Weg 1-5, 65760 Eschbom, Germany, hereinafter referred to as **GIZ** represented in this act by the GIZ Philippines Country Director, **MR. ROBERT KRESSIRER**;

- and -

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)**, with main office at Visayas Avenue, Diliman, Quezon City, hereinafter referred to as **DENR** represented in this act by its Secretary, **HON. RAMON J.P. PAJE**.

#### WITNESSETH THAT:

**WHEREAS**, the Government of the Federal Republic of Germany and the Government of the Republic of the Philippines agreed to establish closer technical cooperation under the Bilateral Framework of Agreement on Technical Cooperation of 7 September 1971 and the addendum hereto dated 13 November/8 December 1987;

**WHEREAS**, the Government of the Philippines accords high priority for the implementation of the National Biodiversity Strategy and Action Plan (DENR 1997, 2002), especially strategies II, III and IV as well as the Philippine Wildlife Resources Conservation and Protection Act RA 9147;

**WHEREAS**, the Government of the Philippines, through the Department of Environment and Natural Resources, proposed a cooperation project to protect the primary forest of the Central Panay Mountain Range (CPMR) in Panay Island which represents the most important carbon storage of the region and serves as a refuge for threatened endemic animals found only in Panay like the Writhe-billed Hornbill or *Dulungan (Aceros waldeni)*;

**WHEREAS**, the Government of the Federal Republic of Germany through its Embassy, confirmed through a *Note Verbale* dated 26 August 2010, the Federal Government's preparedness to cooperate with the Government of the Republic of the Philippines in the proposed project "Forest and Climate Protection Project in Panay Island" (also known as "ForClim Panay");

**WHEREAS**, the Government of the Federal Republic of Germany under its International Climate Protection Initiative has committed to this project a contribution by the German Ministry of Environment, Nature Conservation and Nuclear Safety of up to One Million Nine Hundred Fifty Thousand EURO (1,950,000.00 EUR) in the form of personnel inputs and, where appropriate, financial contributions;

**WHEREAS**, the Government of the Philippines accepted and countersigned the aforementioned Note Verbale on 05 May 2011;

**WHEREAS**, the Government of the Federal Republic of Germany has charged the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH with implementation of the project;

**WHEREAS**, the Government of the Philippines through the Department of Environment and Natural Resources and GIZ have long been cooperating on the environment sector and there is substantial possibility for an early start of the cooperation project using the existing implementation mechanisms;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties hereto agree, as they have agreed, to enter into this Implementation Agreement as follows:

## **ARTICLE I OBJECTIVES AND INDICATORS**

### **1.1 General Objective**

The project aims to protect the last large forest area with globally significant biodiversity in Panay Island and promote the sustainable use of the natural resources in the adjacent communities. Detailed indicators for the intended outputs and outcomes including the timeline are given in the Strategic Plan of the ForClim Project.

### **1.2 Specific Objectives**

- 1.2.1 The carbon storage in the natural forest is secured through sustainable forest management and protection within the 50,000 hectares mountain range.
- 1.2.2 The dissemination and implementation of appropriate agroforestry technologies as well as afforestation of large areas in the surrounding communities either reduced or fixed green house gases.
- 1.2.3 The sustainable and decentralized management and the protection of forest resources are integrated into the land use plans of the municipalities and the respective annual budget for their implementation is allocated.
- 1.2.4 The energy potential of organic materials (like firewood from afforestation or agroforestry systems) is used to substitute the wood from the natural forest and fossil fuel as primary energy source.
- 1.2.5 The conservation of the mountain ecosystem with height and climate gradients (including the declaration of Critical Habitats) secures a refuge area for flora and fauna to adapt to climate change.

### **1.3 By the end of the project the following indicators shall be achieved:**

- 1.3.1 At least 12 of the 18 adjacent municipalities have formulated and adopted forest land use plans incorporating biodiversity conservation; have designated protection forests, developed plans for the management of the protection forests as well as allotted funds for their management.

- 1.3.2 In case of areas identified for possible declaration as Critical Habitat the Critical Habitat Management Plan (CHMP) is jointly developed by DENR, LGUs and other concerned parties.
- 1.3.3 Through respective Local Government Resolution, the CHMP is integrated into or formed part of the respective Municipalities' Local Land Use and Development Plan.
- 1.3. Forest areas in the Central Panay Mountain Range do not decrease by more than two percent from the baseline.
- 1.3.4 At least 1,500 hectares new afforestation/enrichment plantings and 1,000 ha agroforestry areas are established (2,500 ha in total).
- 1.3.5 The population density of the threatened wildlife species, especially the Writhed-billed Hornbill or *Dulungan (Aceros waldeni)*, improves or at least remains at the same level from the baseline.
- 1.3.6 A renewable energy and biomass study for households in the buffer zone is available.
- 1.3.7 The results in the greenhouse gas monitoring (in collaboration with the BMU-funded project "Reducing Emissions through Deforestation and Degradation (REDD)" (PN 09.9063.0) are positive.
- 1.3.8 Appropriate governance system for the area in place.

**ARTICLE II  
CONTRIBUTIONS TO THE PROJECT BY THE GOVERNMENT  
OF THE FEDERAL REPUBLIC OF GERMANY THROUGH GIZ**

**2.1 Provision of Experts by GIZ**

- 2.1.1 GIZ shall make available one (1) part-time GIZ Project Director, one (1) international expert as chief advisor, one (1) part-time GIZ national staff as Project Coordinator, (1) full-time GIZ national staff as Project Operations Officer-a DENR seconded employee, administrative officer, driver and support staff as deemed necessary.
- 2.1.2 The GIZ shall provide international and national consultants to render technical support to the DENR in the implementation of the project components/activities, specifically: (a) up to 12 person months for international short-term consultant and up to 3 person months for national short-term consultant; (b) up to two (2) national advisors for forest land use planning and forestry as well as administrative and auxiliary staff; (c) one (1) national project coordinator, up to six (6) national advisors for community mobilization; (d) (3) biological assessments, GIS, PR; (e) as well as administration and auxiliary staff as needed.
- 2.1.3 The parties to this Agreement hereby agree that the terms and conditions of the engagement of the aforementioned experts/consultants shall be governed by the agreements entered into by GIZ with the concerned individuals or firms with concurrence of DENR.

2.1.4 GIZ will provide training courses and study tours as well as facilitate workshops and conferences in direct support of the Project's objectives and as agreed upon by the DENR and GIZ.

## 2.2 Supply of Materials and Equipment by GIZ

GIZ shall supply the following items:

- 2.2.1 Three (3) vehicles for the use in the implementation of the project;
- 2.2.2 Up to six (6) motorcycles;
- 2.2.3 Forest inventory and other field equipment;
- 2.2.4 Office equipment for the local project office;
- 2.2.5 Information material and other knowledge-based resources

The equipment/materials supplied for the Project on behalf of the Government of the Republic of Germany shall become the property of the Republic of the Philippines, latest at the end of the Project.

## 2.3 Operating and Administrative Costs and other Contributions by GIZ

2.3.1 GIZ shall bear the operating and/or administrative costs associated with the processing of the German contribution to the Project, provided, however GIZ shall not contribute more than the amount that is made by the Federal Republic of Germany for the project.

2.3.2 GIZ shall provide technical assistance with a value of up to One Million Nine Hundred Fifty Thousand EURO (1,950,000 EUR) for up to 45 months starting October 2010 and ending in May 2014.

## **ARTICLE III CONTRIBUTIONS TO THE PROJECT BY DENR AS THE PARTNER ORGANIZATION**

3.1 The DENR Region 6 shall allocate corresponding areas for the project implementation.

3.2 The DENR shall designate focal persons at the the national, regional and field levels who shall be responsible for coordinating with GIZ on implementation matters, based on a joint plan of operations;

3.3 Nominate members for the Project Steering Committee (PSC) at the national and regional level for project implementation from respective DENR Offices and Bureaus;

3.4 Designate staff to participate in project planning, monitoring, mid-term and year end evaluation and make them available in time for agreed monitoring and evaluation tasks, training courses, workshops, seminars, conferences and meetings, including processing of the necessary documents.

3.5 Travel expenses of staff for monitoring, field visits, meetings, seminars and conferences within the Philippines shall be paid by the DENR (its concerned Bureaus) as part of the counterpart contribution.

3.6 The DENR together with the GIZ Technical Assistance Team shall organize periodic meetings, roundtable discussions for exchange of lessons learned.

- 3.7 The DENR shall make available sufficient office space for the GIZ technical assistance team to host the Project and its staff. This office shall be free of charge.
- 3.8 The DENR (and its concerned bureaus and offices) shall ensure that sufficient counterpart contributions are allocated by the concerned Bureaus and offices to support the implementation costs. These include maintenance and operational costs as well as travel expenses, allowances and salaries of the staff vis-à-vis the scheduled activities of the Project.

**ARTICLE IV  
INSTITUTIONAL ARRANGEMENTS**

- 4.1 Supervision and coordination of the Project shall be managed by the Project Steering Committee (PSC) chaired by DENR FASPO. Details of the structure and composition shall be outlined in a Special Order.
- 4.2 The PSC shall provide guidance and direction to the Project including approval of Joint Project Operational Plan, among others.
- 4.3 The Project Regional Steering Committee (PRSC) shall closely coordinate with the Regional Development Council (RDC) to ensure that project plan of operation and other forestry related activities in the region are consistent with the regional priorities and submits regular report to the PSC.

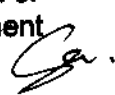
Chairperson:	RED of DENR Region 6
Members:	RTD FMS RTD PAWCZMS RTD ERDS PENROs (4) (Aklan, Antique, Capiz & Iloilo) Project Manager GIZ TA

- 4.4 Within DENR, a Project Management Unit (PMU), which shall be headed by a Project Manager to be designated by the RED shall implement, coordinate and monitor the project activities in line with project's plan of operation; ensure synergy and complementation with other activities being implemented in the site; and submit regular reports to the Regional Steering Committee (RSC). The RED of Region 6 shall issue corresponding Special Order on the composition of the PMU:

Project Manager

Focal Person at Provincial Level (Iloilo, Capiz, Aklan and Antique) - PENR Officer

- PENRO-FMS: Supervise and coordinate on FLUP preparation, forest rehabilitation, forest protection, survey and mapping, livelihood components, and monitoring of reforestation success.
- PENRO-PAWCZMS: Supervise and coordinate the establishment of Critical Habitat, biodiversity survey and establishment of baseline data.



**Focal Person at the CENRO Level - CENR Officer:**

- CENRO-FMS: Assist the LGUs in the preparation of the FLUPs; provide technical assistance in Forest Rehabilitation; lead and coordinate in forest protection activities; assist LGUs in the survey and mapping; provide technical assistance in livelihood components; and monitoring of reforestation success.
- CENRO- PAWCZMS: Provide technical expertise in the establishment of Critical Habitat, biodiversity survey and establishment of baseline data.

**ARTICLE V  
MONITORING AND EVALUATION OF THE PROJECT**

- 5.1 The DENR and GIZ shall jointly monitor and evaluate the project during and after its implementation, and may hire experts or appraisers for this purpose.
- 5.2 The DENR, as well as other stakeholders shall participate in the monitoring and evaluation. It shall, in all cases, assist the experts or appraisers in their work and allow them to examine all necessary documents.
- 5.3. The GIZ shall submit to DENR copy of the Quarterly and Annual Report of the project. Copy of the consultant's report/output shall also be provided to the DENR.
- 5.4 Any output or report which results from the Project shall be jointly owned and published by the DENR and GIZ.

**ARTICLE VI  
SUSPENSION OF CONTRIBUTIONS AND TERMINATION OF THE AGREEMENT**

- 6.1 Any party, by mutual consent, may cause to suspend their contribution or terminate the project as may be warranted or due to the following events:
  - 6.1.1 Any of the party fails to fulfill obligations arising from this Agreement or out of arrangements in respect of this Agreement, or circumstance which preclude, or place in considerable jeopardy, the objectives of the project described in Article I.
  - 6.1.2 If one of the circumstances described above arises and is still in existence after a time-limit to be agreed by GIZ with DENR, or if is not eliminated within this period, GIZ may, with the consent of the Federal Republic of Germany, prematurely terminate the implementation of the Agreement.
  - 6.1.3 In return, DENR may suspend its contributions if GIZ fails to fulfill obligation arising from this Agreement.

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**ARTICLE VII  
AMENDMENTS/ASSIGNMENTS/WAIVER OF RIGHTS**


The Parties hereto may, upon mutual consent, amend, alter, or modify this Agreement, or assign, abrogate or waive any right or obligation herein stated any time through an addendum or amendment letter duly concurred by the herein Parties in writing.

**ARTICLE VIII  
EFFECTIVITY**

This Agreement, including amendments thereto, shall be effective for the period October 2010 to May 2014, unless earlier terminated in writing by both contracting parties. A party who intends to terminate the Agreement shall give the other party at least thirty (30) days written notice.

IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorized representatives have caused this Implementation Agreement to be signed in their respective names in Quezon City, Philippines on the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

FOR THE DENR:

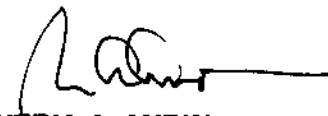
  
**HON. RAMON J. PAJE**  
Secretary

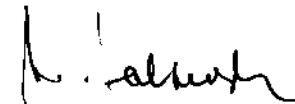
FOR GIZ:

  
**ROBERT KRESSIRER**  
Country Director  
GIZ Philippines

Signed in the presence of:

  
**THERESA MUNDITA S. LIM**  
Director  
Protected Areas and Wildlife Bureau

  
**NERIA A. ANDIN**  
Director  
Forest Management Bureau

  
**DR. WALTER SALZER**  
Principal Advisor  
Forest and Climate Protection Project in Panay Island. GIZ



**ACKNOWLEDGEMENT**

Republic of the Philippines  
City of Makati

BEFORE ME, a NOTARY PUBLIC for and in the above stated locality personally appeared this JAN 17 2012 day of November 2011 the following:

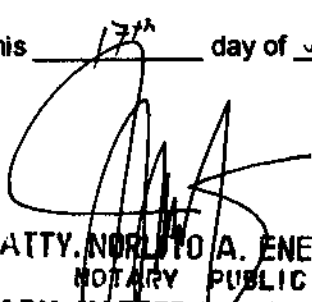
Name	CTC/ Passport No.	Date/Place issued
RAMON J. P. PAJE	3213610	January 10, 2012/ Quezon City
ROBERT KRESSIRER	C4J6R8RPR	Oct. 27, 2009 / Berlin

Known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed as well of the entities they represent.

WITNESS MY HAND AND SEAL, this 17<sup>th</sup> day of January, 2011 in Quezon City

**NOTARY PUBLIC**

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Book No. III  
Series of 2012

  
ATTY. NORLITO A. ENERAN  
NOTARY PUBLIC

ADM. MATTER NO. NP-152  
UNTIL DEC. 31, 2012  
PTR NO. 4561201-1/4/11-QUEZON CITY  
IBP NO. 843293-1/4/11-RSM  
ROLL NO. 53229